

Message Text

LIMITED OFFICIAL USE

PAGE 01 KATHMA 02980 01 OF 02 110206Z

71

ACTION AID-59

INFO OCT-01 NEA-10 ADP-00 CIAE-00 DODE-00 HEW-08 INR-10

NSAE-00 PA-03 PRS-01 RSC-01 SCA-01 USIA-12 SCS-03

PM-07 H-02 L-03 NSC-10 SS-15 SY-10 IO-13 PC-15 OPR-02

COME-00 EB-11 FRB-02 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 AGR-20 DEA-05 IGA-02 RSR-01 /256 W

----- 047243

P 101250Z JUL 73

FM AMEMBASSY KATHMANDU

TO SECSTATE WASHDC PRIORITY 5758

LIMITED OFFICIAL USE SECTION 1 OF 2 KATHMANDU 2980

PASS AID DISASTER RELIEF COORDINATION, G/PM

E.O. 11652: N/A

TAGS: PINS, NP

SUBJECT: SINGHA DURBAR FIRE: PRELIMINARY ASSESSMENT OF EFFECT
ON GON AND USAID OPERATIONS

REF: KDU 2952

1. EMBASSY HAS NOT YET BEEN ABLE TO DISCUSS SINGHA DURBAR FIRE
TO ANY EXTENT WITH IMPORTANT GON OFFICIALS, SO WE ARE UNABLE
TO JUDGE THEIR ASSESSMENT OF IMPACT FIRE ON GOVERNMENT
OPERATIONS. OUR OWN ASSESSMENT, HOWEVER, IS THAT GON WILL BE
EFFECTIVELY PARALYZED FOR AT LEAST SEVERAL WEEKS (REFTEL), AS
EMERGENCY PLANS ARE CONCEIVED AND THEN IMPLEMENTED. ABILITY OF
GOVERNMENT TO REACT AND ORGANIZE WILL OF COURSE DETERMINE
DEGREE OF EFFECTIVENESS OVER COMING MONTHS.

2. EMBASSY STRONGLY BELIEVES THAT RESUMPTION OF EFFECTIVE GON
OPERATIONS AS QUICKLY AS POSSIBLE IS CENTRAL TO BOTH OUR
DEVELOPMENTAL AND POLITICAL INTERESTS IN NEPAL AND IN AREA.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KATHMA 02980 01 OF 02 110206Z

PROTRACTED ADMINISTRATIVE PARALYSIS WILL SERIOUSLY SLOW DOWN

NEPAL'S DEVELOPMENT EFFORTS, LIMIT ABILITY PROVIDE ESSENTIAL SERVICES, AND COMPOUND EXISTING POPULAR DISENCHANTMENT OVER RISING COST OF LIVING, COMMODITY SHORTAGES, ETC. OPPOSITIONIST ELEMENTS BOTH INSIDE NEPAL AND IN NEIGHBORING AREAS IN INDIA WILL BE TEMPTED TO CAPITALIZE ON GON WEAKNESS TO FOMENT POLITICAL UNREST (KATHMANDU 2979). POSSIBILITY OF NEPALESE WEAKNESS AND TURMOIL INVOLVING NEIGHBORS IN SERIOUS :9,*49,5-589, .8 5#7 ?3:9.3 34897 :9,:34,.

3. AWARENESS OF SITUATION IN KATHMANDU ESSENTIAL TO UNDERSTANDING OF EFFECT FIRE WILL HAVE ON GOVERNMENT. THERE ARE PROBABLY FEW COUNTRIES WHICH HAVE THEIR OFFICES SO CONCENTRATED IN ONE BUILDING AS DID GON IN SINGHA DURBAR. SINGHA DURBAR COMPLEX CONTAINED APPROXIMATELY ONE THOUSAND OFFICES, WITH FROM 3,000 TO 5,000 EMPLOYEES. OUT OF TOTAL OF FOURTEEN MINISTRIES, SEVEN HAD ALL OF THE MAJOR DEPARTMENTS LOCATED WITHIN SINGHA DURBAR, WHILE THOSE THAT HAD OFFICES LOCATED ELSEWHERE IN KATHMANDU HAD OFFICES OF THEIR SECRETARIES AND MINISTERS LOCATED IN SINGHA DURBAR. THUS THE OFFICES, AND MANY OF THE FILES, OF EVERY SECRETARY AND MINISTER IN GOVERNMENT WERE DESTROYED IN FIRE AS WELL AS ALL DEPARTMENTS AND MOST FILES OF SEVEN AND A HALF MINISTRIES. MINISTRIES WITH ALL MAJOR OPERATIONS LOCATED IN SINGHA DURBAR ARE FINANCE, DEFENSE, FOREIGN MINISTRY, EDUCATION, LAW AND JUSTICE, HOME PANCHAYAT, HEALTH, AND COMMERCE HALF OF COMMERCE AND INDUSTRY MINISTRY. IN ADDITION, DEPARTMENT OF GENERAL ADMINISTRATION, WHICH WAS SEPARATE DEPARTMENT UNDER PRIME MINISTER, AND WHICH WAS RESPONSIBLE FOR ALL OF GON'S ADMINISTRATIVE RECORDS, SUFFERED SOME DAMAGE IN FIRE, BUT EXTENT OF LOSS OF FILES IS NOT YET KNOWN.

4. MOST PRESSING PROBLEMS FACING GON WILL BE TO FIND SPACE TO ACCOMMODATE THOSE DISPLACED BY FIRE AND TO SET UP SYSTEM OF COMMUNICATIONS. UNDER BEST OF CIRCUMSTANCES COMMUNICATION AND COORDINATION AMONG GON MINISTRIES LEFT MUCH TO BE DESIRED, AND NEXT SEVERAL WEEKS, AND PERHAPS MONTHS, MAY TURN INTO NIGHTMARE, AS OFFICES ARE DISPERSED FROM ONE END OF CITY TO OTHER, WITH NO COMMUNICATION NETWORK BETTER THAN ANCIENT ONE OF RUNNERS CARRYING CHITS. ONCE SOME SEMBLANCE OF ORDER LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 KATHMA 02980 01 OF 02 110206Z

CAN BE ESTABLISHED GON WILL HAVE TO TURN ITS ATTENTION IMMEDIATELY TO CARE OF ITS EMPLOYEES, AS MANY PAY AND PERSONNEL RECORDS HAVE PRESUMABLY BEEN LOST. IN PERIOD OF CONFUSION FOLLOWING FIRE DISGRUNTLED EMPLOYEES RECEIVING NO PAY COULD EXACERBATE GON'S PROBLEMS IN RESTRUCTURING GOVERNMENT, PARTICULARLY IF POLITICAL AGITATORS AT WORK.

5. WHILE LOGISTICAL PROBLEMS OF PHYSICAL ACCOMMODATIONS AND COMMUNICATIONS SHOULD EVENTUALLY BE WORKED OUT, FINANCIAL,

ACCOUNTING, AND OPERATIONAL PROBLEMS MAY BE MUCH MORE
DIFFICULT TO MANAGE. GON, FOR EXAMPLE, IS MOVING INTO PERIOD
DURING WHICH IT IS ENCOUNTERING SEVERE DOMESTIC FINANCIAL
PROBLEMS AS DEVELOPMENT EXPENDITURES INCREASE AT MUCH MORE
RAPID RATE THAN REVENUES, WHICH ARE DIFFICULT TO INCREASE GIVEN

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 KATHMA 02980 02 OF 02 110216Z

71

ACTION AID-59

INFO OCT-01 NEA-10 ADP-00 CIAE-00 DODE-00 HEW-08 INR-10

NSAE-00 PA-03 PRS-01 RSC-01 SCA-01 USIA-12 SCS-03

PM-07 H-02 L-03 NSC-10 SS-15 SY-10 IO-13 PC-15 OPR-02

COME-00 EB-11 FRB-02 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 AGR-20 DEA-05 IGA-02 RSR-01 /256 W

----- 047312

P 101250Z JUL 73

FM AMEMBASSY KATHMANDU

TO SECSTATE WASHDC PRIORITY 5759

LIMITED OFFICIAL USE SECTION 2 OF 2 KATHMANDU 2980

NATURE OF NEPAL'S AGRICULTURAL SOCIETY. GOVERNMENT IS NOW IN
PROCESS OF ATTEMPTING INCREASE EARNINGS FROM PUBLIC
CORPORATIONS AND TO FIND NEW SOURCES OF TAX REVENUES, AS
ANNOUNCED LAST WEEK IN PRIME MINISTER'S ADDRESS TO NATIONAL
PANCHAYAT ON 1973/74 BUDGET. THESE STEPS, AND IMPLEMENTATION
OF NEW BUDGET, AS WELL AS MANY OTHER GOVERNMENT OPERATIONS,
DEPEND TO LARGE EXTENT ON EXISTENCE STATISTICAL BASE AND
FINANCIAL RECORDS. IF ESSENTIAL RECORDS DESTROYED IN FIRE,
THIS WOULD REPRESENT SEVERE BLOW TO GOVERNMENT'S OPERATIONS.
CONFUSION RESULTING FROM FIRE WILL ALSO PROVIDE EXCELLENT
OPPORTUNITY FOR THOSE OPPOSED TO CERTAIN GOVERNMENT PROGRAMS
TO DRAG THEIR FEET. THIS COULD AFFECT DEVELOPMENT PROJECTS OF
NATIONAL PLANNING COMMISSION, WHICH HAS NOT ALWAYS HAD
NECESSARY COOPERATION FROM MINISTRIES, AND FURTHER IMPLEMENTATION
OF NEPALI EDUCATIONAL REFORM, WHICH HAS BACKING OF KING, BUT
WHICH AT SAME TIME HAS ENEMIES THROUGHOUT ADMINISTRATION.

6. FIRE WILL HAVE MAJOR EFFECT ON USAID OPERATIONS. FINANCE MINISTRY, WHICH BORE RESPONSIBILITY FOR COORDINATION ALL AID ACTIVITIES IN NEPAL, WAS TOTALLY DESTROYED. WHAT EFFECT THIS WILL HAVE ON CONTROL OF DONORS, SOME OF WHOM ARE PRONE TO LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KATHMA 02980 02 OF 02 110216Z

PURSUE PROJECTS BASED TO LARGE EXTENT ON OWN PAROCHIAL INTERESTS, AND ON ALLOCATION OF NEPAL'S SCARCE RESOURCES, IS DIFFICULT TO SAY AT THIS POINT. USAID AND PEACE CORPS SUBMITTING SEPARATE TELEGRAM ON SPECIFIC OPERATING PROBLEMS RAISED BY FIRE. IN ADDITION TO PROBLEMS THAT USAID WILL FACE WE EXPECT THAT SELECTION OF GON'S FULBRIGHT CANDIDATES WILL ALSO BE DELAYED. WE HAVE NOT YET BEEN ABLE TO DETERMINE IF FIRE WILL SLOW DOWN GON'S EFFORTS TO BAN NARCOTIC CULTIVATION AND CONSUMPTION (KATHMANDU 2932 AND PREVIOUS).

7. IN FIELD OF AVIATION, WE ARE CONCERNED THAT GON WILL NOT PULL ITSELF TOGETHER FAST ENOUGH TO PROVIDE ARRANGEMENTS FOR BACK PAYMENTS DUE HELICOPTER SERVICES COMPANY, PRIVATE BRITISH FIRM WHICH HOLDS CONTRACT FOR HELICOPTER SERVICE IN NEPAL, WHICH IS ESSENTIAL TO OPERATION AND SAFETY USAID EMPLOYEES AND PEACE CORPS VOLUNTEERS. (HELICOPTER SERVICES HAS FORMALLY NOTIFIED ROYAL NEPAL AIRLINE CORPORATION (RNAC) THAT IT WILL LEAVE NEPAL JULY 28, UNLESS ARRANGEMENTS ARE MADE FOR PAYMENT OF APPROXIMATELY \$80,000 IN ARREARS). WHILE WE HAVE NO ATTACHMENT TO HELICOPTER SERVICES AS COMPANY WE ARE CONCERNED OVER POSSIBILITY NON-AVAILABILITY OF HELICOPTERS DURING PERIOD OF SEVERAL MONTHS, WHILE RNAC LOOKS FOR REPLACEMENT, PERHAPS AT HIGHER COST. ALSO IN AVIATION, WE ARE NOT AWARE WHAT EFFECT FIRE WILL HAVE ON RNAC/AIR FRANCE MANAGEMENT CONTRACT, WHICH HAS THREE YEAR ANNIVERSARY ON JULY 16. ACCORDING TO INFORMATION OBTAINED FROM RNAC BOARD CHAIRMAN MALHOTRA (KATHMANDU 2905) THERE WOULD APPEAR TO BE NO URGENCY THIS ISSUE.

8. AT TIME OF DRAFTING THIS TELEGRAM HMG OFFICES ALREADY MOVING TO TEMPORARY QUARTERS, MOSTLY INTO ASSORTED RANA PALACES SCATTERED ALL OVER KATHMANDU/PATAN AREA. EMBASSY ATTEMPTING ESTABLISH CONTACT WITH HMG OFFICES AND INTERNATIONAL COMMUNITY TO EXCHANGE INFORMATION; ASCERTAIN EXTENT DAMAGE; AND DISCUSS POSSIBILITY FOREIGN ASSISTANCE REQUIREMENTS. WE WOULD EXPECT THAT FOLLOWING TYPES OF ASSISTANCE MOST LIKELY TO BE REQUIRED:

- A. COMMUNICATIONS SYSTEMS FOR TEMPORARY OFFICES.
 - B. ASSISTANCE IN SALVAGING, CONSERVING, AND REBUILDING RECORDS, INCLUDING ZEROX OR SIMILAR REPRODUCING MACHINERY.
- LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 KATHMA 02980 02 OF 02 110216Z

C. ELECTRIC POWER AND INSTALLATIONS TEMPORARY QUARTERS.

D. WATER AND SANITATION FOR TEMPORARY QUARTERS.

E. OFFICE FURNITURE AND EQUIPMENT INCLUDING DESKS,
TYPEWRITERS, FILE CABINETS, INTERCOM SYSTEMS.

9. CHARGE PLANS CONSIDER WHETHER USE OF \$25,000 DISASTER
RELIEF ALLOTMENT IS APPROPRIATE WHEN EXTENT OF DAMAGE AND
EFFECT ON GOVERNMENT OPERATIONS BECOMES CLEARER.

10. ACTION REQUESTED: GUIDANCE REQUESTED ON:

A. CONSIDERING NATURE OF DISASTER AS DESCRIBED ABOVE,
CAN WE ASSUME SITUATION QUALIFIES AS DISASTER FOR DISASTER
RELIEF PURPOSES?

B. COULD DRC PROVIDE US WITH TDY HELP TO DISCUSS
SPECIFIC FORMS OF ASSISTANCE WITH US, GON, AND OTHER DONORS,
IF OUR PRELIMINARY CONVERSATIONS WITH GON OFFICIALS INDICATE
THIS WOULD BE DESIRABLE?
COON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 10 JUL 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973KATHMA02980
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: KATHMANDU
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730743/aaaabfvc.tel
Line Count: 247
Locator: TEXT ON-LINE
Office: ACTION AID
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 73 KDU 2952
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 04 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04-Jan-2002 by willialc>; APPROVED <18-Jan-2002 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SINGHA DURBAR FIRE: PRELIMINARY ASSESSMENT OF EFFECT ON GON AND USAID OPERATIONS
TAGS: PINS, NP
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005